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ABSTRACT

        Implementation of a thorough expatriate selection process
and an effective cross-cultural training (CCT) program can reduce expatriate
failure rates. The selection process must determine compatibility and
receptiveness of an employee and his or her family to an assignment overseas
through worldwide recruitment, companywide screening for international
talent, creation of opportunities to gain international experience, and
promotion to top-level management positions. The costs of a failed assignment
are loss of time and business opportunities, damaged relations with the
firm's constituencies in the foreign country, and long-term negative impact
upon reputation in the regional area. The Usable Content Model is built upon
the premise that length and content of an effective CCT program depends on
length and type of expatriate assignment. Recognizing that corporate
constraints tend to reduce course content and length of training, the Model
takes into account both potential and usable content. Usable content is
referred to as the Familiarization Training Approach (FTA) and the
Harmonization Training Approach (HTA). Potential content is referred to as
the Unification Training Approach (UTA). A 3- to 4-day FTA provides area and
cultural briefings, films/books about the host country, and cultural
sensitivity training. A 5- to 7-day HTA includes FTA content plus role
playing, critical incidents, and case studies. A 3- to 5-week UTA includes
HTA content plus complete cross-cultural training for the employee's family
and an overseas trip to the host company. (Contains 43 references.) (YLB)

A Guide for Expatriate Training

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A Backdrop

When establishing any kind of training program it is important to determine the potential

content. However, because of corporate constraints, the potential content normally does not

comprise the usable content. In other words, the usable content tends to be less than the potential

content because of constraints. These constraints include: time, personnel and budgetary

limitations, facilities, and the attitude of senior management towards training. The relationship

between potential and usable content can be expressed as:

The Content Decision-Making Formula

Usable Content = Potential Content - Constraints
(Finch 1989, 161)

Thus a cross-cultural training (CCT) program, like any training program, must balance the need

to provide employees with the proper level of training weighted against corporate constraints. A

tilt one way or the other could have detrimental repercussions upon the organization. Too much

training is an unnecessary waste of corporate resources. Too little training could result in an

expatriate failing to achieve the international strategic goals of the corporation. Before

continuing into the realm of training and potential versus usable content, lets first try to examine

why so many expatriate assignments fail. Expatriate failure can be defined as "the premature

return of an expatriate manager to his or her home country" (Hill 1997, 522) or an expatriate who

remains on his (or her) assignment for the entire duration but is considered ineffective. Current

research tends to "suggest that between 16 to 40 percent of all the American employees sent

abroad return from their assignments early and each premature return costs over $100,000. In addition approximately 30 to 50 percent of American expatriates, whose average compensation package runs to $250,000 per annum, stay at their international assignments but are considered ineffective or marginally effective by their firm" (Hill 1997, 522).

In their book entitled <u>Managing Human Resources</u>, Luis Gomez-Mejia, David Balkin and Robert Cardy proposed six major factors that account for the high failure rate among expatriates.

1. Career Blockage – Many employees feel that a foreign assignment can side-track their career because their counterparts who remain at the company headquarters, "the heart" of the corporate decision-making power base, tend to have a greater probability of obtaining senior-level promotions.

2. Culture Shock – Many expatriates just cannot adjust to the different cultural environment in the host country.

3. Lack of Predeparture CCT – Only about one-third to one-half of U.S. multinationals provide CCT "and those that do tend to offer rather cursory programs" (Gomez-Mejia 1995, 606).

4. Overemphasis on Technical Qualifications – Lack of emphasis on the "human resource skills and abilities" of the individual being sent abroad.

5. Getting Rid of a Troublesome Employee – "International assignments may seem to be a convenience way of dealing with managers who are having problems in the home office" (Gomez-Mejia 1995, 606-607).

6. Family Problems – Many times the expatriate's spouse and (or) children are unable or

unwilling to adapt to life in a foreign country.

A Suggestion for Reducing Expatriate Failure Rates

A multinational corporation can reduce its expatriate failure rate by improving the expatriate

selection process and establishing an effective CCT program:

A Thorough Expatriate Selection Process	+	An Effective CCT Program	=	A Lower Expatriate Failure Rate

Processes and Criteria for Selecting Expatriates

The purpose of the selection process is to determine the compatibility and receptiveness of an

employee and his (or her) family to an assignment overseas.   A thorough selection process must

also be capable of developing a pool of qualified candidates for international management

positions. Ingo Theuerkauf developed a model, which illustrates the stages of a thorough

selection process. The stages in the model include: recruiting worldwide, applying

companywide screening for international talent, creating opportunities to gain substantial

international experience, and finally, promoting to top level management positions (Czinkota

1996, 684).

An Effective Cross-Cultural Training Program

Cross-cultural training "fosters an understanding of the host country's culture, history, and

heritage so that the expatriate can function accordingly. CCT can also provide the newly

assigned expatriate with some understanding of the ways of doing business in the country of

assignment which can be very different from the ways of doing business in the home country"

(Ashamalla 1997, 106-114).

A failed expatriate assignment can impose severe costs on a multinational corporation. These costs "include loss of time and business opportunities, damaged relations with the firm's constituencies in the foreign country and even a long-term negative impact upon the firm's reputation in the regional area" (Ashamalla 1997, 106-114). To avoid such costs, a multinational corporation should provide an expatriate with CCT. A guide for expatriate training is illustrated below.

The Usable Content Model

Length of Assignment	Special project	Organizational position within the corporate hierarchy
Less than six months	Familiarization Training Approach	Harmonization Training Approach
	Length of training (3 to 4 days)	Length of training (5 to 7 days)
Greater than six months	Length of training (3 to 5 weeks)	
	Unification Training Approach	

The Usable Content Model is built upon the premise that the length and content of an effective

CCT program depends on the length and the type of expatriate assignment. The Usable Content

Model also recognizes that corporate constraints tend to reduce both the course content and

length of training provided to employees. Therefore, the Usable Content Model

takes into account both potential and usable content. Potential content is referred to as the

Unification Training Approach. Usable content is referred to as the Familiarization Training

Approach and (or) the Harmonization Training Approach. The <u>Familiarization Training</u>

<u>Approach</u> includes providing area briefings, cultural briefings, films/books about the host

country, and cultural sensitivity training. The length of the Familiarization Training Approach is

between three to four days. The <u>Harmonization Training Approach</u> includes the content of the

Familiarization Training Approach plus role playing, critical incidents and case studies. The

length of the Harmonization Training Approach is between five to seven days. The <u>Unification</u>

<u>Training Approach</u> includes the content of the two previous training approaches plus complete

CCT for the employee's family and an overseas trip to the host country. An overseas trip allows

the employee and his (or her) family to obtain "firsthand" experience in their new environment.

The length of the Unification Training Approach is between three to five weeks.

The Conclusions of the Usable Content Model for Expatriate Training

The Usable Content Model predicts that if the length of an expatriate assignment is less than

six months and the nature of the assignment is a special project then the effective CCT program

should be the Familiarization Training Approach.

The Usable Content Model predicts that if the length of an expatriate assignment is less than

six months and the nature of the assignment is to fill an organizational position within the

corporate hierarchy then the effective CCT program should be the Harmonization Training

Approach.

The Usable Content Model predicts that if the length of an expatriate assignment is greater

than six months then the effective CCT program should be the Unification Approach.

As for any language training, the following guide is offered.

Length of Assignment	Host country's primary language is different from home country's primary language		The expatriate can already communicate (oral & written) in the host country's language	
	Yes	No	Yes	No
Less than six months	Survival language training and use of interpreters	No training is necessary	No training is necessary	Survival language training and use of interpreters
Greater than six months	Extensive language training	No training is necessary	No training is necessary	Extensive language training

A Closing Note and Some Suggestions for Additional Research

Implementing a thorough expatriate selection process and an effective CCT program can reduce expatriate failure rates. A reduction in expatriate failure rates will allow multinational corporations to be more successful in achieving their international strategic objectives.

Additional research could focus upon the issue of whether the CCT content suggested in The Usable Content Model should be conducted in-house or if an outside training firm should be utilized. Another issue might involve the determination of whether the attitude of senior management towards CCT will turn more favorable as we approach the dawn of a new century.

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